COMMISSION DE L'ÉNERGIE ET DES SERVICES PUBLICS N.-B.

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

P.O. Box 5001 15 Market Square, Suite 1400 Saint John, NB F21 4Y9

Telephone: (506) 658-2504

Email: general@nbeub.ca Website: www.nbeub.ca

Fax: (506) 643-7300



PROVINCE OF NEW BRUNSWICK PROVINCE DU NOUVEAU-BRUNSWICK

C. P. 5001 15 Market Square, Bureau 1400 Saint John, Nouveau-Brunswick E2L 4Y9

Téléphone : (506) 658-2504 Télécopieur : (506) 643-7300 Courr Elec: general@cespnb.ca Site Web : www. cespnb.ca

June 7, 2011

TO ALL PARTIES

Re: Application by the New Brunswick System Operator ("NBSO") for the Approval of Changes to the Real Power Loss Factor Methodology in the Open Access Transmission Tariff / Board Reference: 2010-010

In a decision dated May 13, 2011, the Board ruled that the NBSO could not withdraw the above Application without leave of the Board. The Board directed that the NBSO provide written reasons supporting its intent to withdraw the Application. Intervenors were provided an opportunity to provide their written responses.

None of the Intervenors supported the NBSO's request to withdraw the Application. The NBSO stated:

"The NBSO believed and still believes that the proposed changes to the Tariff and change in methodology for the calculation of the transmission loss factor would be beneficial to the electricity sector. The NBSO remains confident with the content of its Application and evidence filed with the Board in this matter."

The Board notes the NBSO continues to believe that the proposed changes would be beneficial to the electricity sector. The Board believes that it is in the public interest to proceed with this application and denies the NBSO's request to withdraw the Application.

Prior to the attempt to withdraw the application, a motion was filed by the Public Intervenor. That motion will be heard on June 15, 2011 at 9:30 am at the Board's premises. In addition to addressing the motion brought by the Public Intervenor, parties should be prepared to address scheduling and other procedural issues.

The submission filed on behalf of the NB Power group of companies argues that the NBSO should not be permitted to withdraw its Application. NB Power submits that the appropriate outcome of this matter would be the dismissal of the Application because, according to NB Power, the Application is "fatally deficient".

The argument that the Application should be dismissed is not one which the other parties have had an opportunity to address. If NB Power wishes to argue that the Application be dismissed prior to a hearing, it should proceed by Notice of Motion and the Board will establish a process for dealing with the matter.

Lorraine R. Légère Board Secretary